Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

LIMITED OFFICIAL USE

PAGE 01 WARSAW 01345 071512Z

62
ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 FEA-01 PA-01 USIA-06 PRS-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 DODE-00 FPC-01

H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03

SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 /092 W
---------- 069099
R 071415Z MAR 75
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC 3733
INFO USDOC WASHDC
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY VIENNA
AMCONSUL POZNAN
AMCONSUL KRAKOW

LIMITED OFFICIAL USE WARSAW 1345

E.O. 11652: N/A
TAGS: ETRD, ECIN, CEMA, PL, UR
SUBJECT: POLISH-SOVIET OIL AGREEMENT FOR 1975 SIGNED

1. SUMMARY: THE POLISH PRESS REPORTED MARCH 1, THE FEBRUARY 28 SIGNING IN MOSCOW OF A CONTRACT COVERING SOVIET SUPPLIES OF CRUDE OIL AND PETROLEUM PRODUCTS TO POLAND IN 1975. END SUMMARY.

2. THE VALUE OF THE NEW CONTRACT IS SAID TO EXCEED TWO BILLION FOREIGN-EXCHANGE ZLOTYS, MAKING IT THE LARGEST ONE-YEAR AGREEMENT EVER SIGNED BETWEEN THE TWO COUNTRIES, ACCORDING TO THE "TRYBUNA LUDU"REPORT. THE ARTICLE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 WARSAW 01345 071512Z

PUTS POLISH IMPORTS UNDER THE CONTACT AT APPROXIMATELY

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

TEN MILLION TONS OF CRUDE OIL AND PETROLEUM PRODUCTS.

3. COMMENT: THE TERMS OF THE NEW AGREEMENT CAN HARDLY BE CAUSE FOR GENERAL REJOICING HERE. POLAND WILL RECEIVE 16 PERCENT LESS PETROLEUM (I.E., CRUDE OIL PLUS PETROLEUM PRODUCTS) THAN IT PURCHASED FROM THE USSR IN 1973. WE CANNOT CALCULATE THE CRUDE OIL PRICE FROM THE FIGURES RELEASED TO DATE, BUT THE INCREASE IS OBVIOUSLY SUBSTANTIAL.

4. AS WITH OTHER EASTERN EUROPEAN IMPORTERS OF SOVIET PETROLEUM PRODUCTS, PRICE IN CREASES ARE ONLY ONE ASPECT OF POLISH COSTS. WE REPORTED IN REFTEL POLISH AGREEMENT TO CONSTRUCT AN OIL PIPELINE IN THE NORTHERN USSR, A PROJECT UNDERTAKEN IN EXCHANGE FOR ADDITIONAL SUPPLIES OF OIL.

5. WE SUSPECT THAT COMMODITIES, PARTICULARLY MEAT, ARE ALSO BEING BARTERED FOR OIL. POLISH HARD-CURRENCY MEAT EXPORTS WERE DEALT A SEVERE BLOW IN 1974 BY THE EEC BAN ON IMPORTS, YET RECENTLY RELEASED OFFICIAL STATISTICS SHOW AN INCREASE OF 52 PERCENT IN RAW-MEAT EXPORTS DURING THE PAST YEAR. ACCORDING TO A WELL-PLACED SOURCE IN THE MINISTRY OF FOREIGN TRADE, POLAND HAS NOT SOLD MEAT EARMARKED FOR THE EEC FOR HARD CURRENCY, BUT HAS EXCHANGED IT FOR SOMETHING OF HARD-CURRENCY VALUE. JUDGING FROM THE CONTEXT IN WHICH THIS REMARK WAS MADE, WE HAVE LITTLE DOUBT THAT MEAT PLAYED A ROLE IN POLISH-SOVIET OIL NEGOTIATIONS.

6. POLANDS CRUDE-OIL IMPORTS DROPPED 5 PERCENT BY VOLUME IN 1974, AND PURCHASES OF PETROLEUM PRODUCTS FELL .3 PERCENT. THIS DECLINE IN LIQUID-FUEL CON-SUMPTION, EVEN IF IT CAN BE CONTINUED IN 1975, WILL NOT RELIEVE POLAND OF THE BURDEN OF BYING 10-15 PERCENT OF ITS REQUIREMENTS ON THE WORLD MARKET, NOR WILL IT GREATLY EASE THE PAIN OF PAYING AT LEAST TWICE THE 1973 PRICE FOR SOVIET PETROLEUM. END COMMENT.
DAVIES

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, PETROLEUM, PETROLEUM PRODUCTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975WARSAW01345
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750081-0422
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750370/aaaaclck.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2003 by KelleyW0>; APPROVED <15 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POLISH-SOVIET OIL AGREEMENT FOR 1975 SIGNED
TAGS: ETRD, ECIN, UR, PL
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006